

# Diversity and human capital and india's workforce



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A diverse ethos like India not only showcases unity in diversity but also the potential to create waves in innovative thinking. India, largely an agro-based economy has undergone a massive facelift in the recent decade due to the dotcom boom, giving the economy a phenomenal push. Statistics reveal that India will be a youth country in the coming decades. Given the immense knowledge pool, diversity and youth population at the country's disposal, it is only natural to predict that India will be the global leader. At the same time, amendments are required to manage these great resources effectively to deliver what we dream to achieve. Challenges faced by India Inc. are not only population burst, corruption, terrorism, etc but also management of youth & the immense knowledge base available along with attitude refinement to facilitate retention of knowledge. The country which boasts of a plethora of natural resources should reinforce ways to utilize these depleting resources and the talent pool available to the best of its potential. This paper looks into few of these issues and suggests methodologies for managing the diversity.

## **INTRODUCTION**

A country like India is a perfect example of unity among diversity with a mix of cultures, languages, religions, age groups, etc offering a tremendous opportunity to learn and garner knowledge. The country has evolved over centuries into a multi-dimensional ethos, learning and assimilating a vast pool of knowledge. But have we succeeded in managing and utilizing this talent pool to its full potential? This provoking question leads us to the topic, "Managing Diversity: The Challenges Faced By India Inc."

A key distinguisher and common asset, knowledge is of importance. The healthy diversity along with a huge population does India an opportunity to grow fast. New ideas and fresh perspectives are natural offshoots of diversity and should be seen as “ blessings in disguise”, rather than a challenging hurdle towards growth. But in this age of information technology and speed, “ application of knowledge”, will majorly contribute to the country’s growth story. Diversity in India and its implications...

Between 2003 and 2050, India will add about 250 million people to its labour pool ... By 2020, 61% of Indians will be under 35, i. e. about 780 million Indians will be in this age group.

The statistics indicate that future India will be home to more young minds, thus increasing the average disposable income, and facilitating greater youth participation in decision making activities with fresh outlook. The youth and baby-boomer generations together can contribute a lot in adding value to the knowledge chain. The acquired knowledge should be practiced or else the country cannot thrive on the potential knowledge leaders & diverse knowledge pool available.

The concept of “ Knowledge Learnt, Used & Thrown”, entrenched in the young minds will have to be given up to produce innovators and thought leaders, and stress on practical application of knowledge is quintessential.

**“ Knowledge is of no value unless you put it into practice.”**

**-Anton Chekhov**

## **LITERATURE REVIEW**

A knowledge economy and its attributed index primarily depend upon 4 key pillars listed by The World Bank as Innovation, Education, Information Communication & Technology (ICT) and Economical & Incentive Regime (EIR) under the Knowledge Assessment Methodology (KAM) and Knowledge Economy Index (KEI). This index ranked India at 101 indicating a large scope for improvement on the knowledge front. As per our analysis, innovation has the highest weightage in the methodology used. Sample data shown below –

Innovation or the pioneering application of knowledge has a great impact on the country's overall knowledge economy index. The contribution towards patents is closely related. Patent data – largely by the US (KEI Rank – 10).

In context with the categories of knowledge-based assets, two broad classifications have been made – explicit or tacit. Included among the former are patents, trademarks, etc i. e. things that can be archived and codified. Much harder to grasp and record is tacit knowledge, which leads to knowledge creation. The challenge inherent with tacit knowledge is figuring out how to recognize, generate, and share it. The basic framework that employs knowledge creation as a black box driving economic growth is usually called the endogenous growth model. The literature using this black box includes Shell (1966), Romer (1986, 1990), Lucas (1988), Jones and Manuelli (1990), etc.

The basic variable of study is a knowledge worker (or K-worker). Every time a K-worker researches with their best partner(s); the new knowledge jointly created becomes shared knowledge, thus dynamically builds up knowledge in common. Heterogeneity in K-workers provides an opportunity to cooperate and is endogenous to the model. In this way, the heterogeneity or diversity of all K-workers changes endogenously over time. Thus, a partnership in knowledge creation is most productive when common and differential knowledge are in balance.

From a bird's eye view, the ability of a nation to use, synergize and create knowledge capital determines its capacity to empower its citizens. Aptly in the words of Dr. Manmohan Singh, Prime Minister of India, " The time has come to create a second wave of institution building, and of excellence in the fields of education, research and capability building so that we are better prepared for the 21st century." India today needs a well defined knowledge-oriented paradigm of development to provide a competitive advantage in all the fields.

The National Knowledge Commission (NKC) in India has been entrusted to study the parameters and suggest corrective measures to give India the competitive ' knowledge edge' in the coming decades. The KEI model of World Bank has been re-visited from the Indian context introducing various parameters which make plausible sense in the country. The model:

## **METHODOLOGY**

The paper explores both tangible and intangible parameters for enhancing the knowledge capital in India. The world in future will be driven by a

knowledge-base economy and this notion is not foreign to India. India's history is marked with events that reinforce the country's potential to learn and showcase unity through diversity. Think about the Indian War of Independence and it will make sense.

India is and will remain for some time one of the youngest countries in the world. This "demographic dividend" is seen as an opportunity to accelerate the country's rate of growth. We have a critical mass of skilled, English-speaking knowledge workers. The knowledge economy of the twenty-first century demands competencies not only in the area of ICT but also in group learning, risk-taking ability, tolerance to multicultural views, learning from nature and synergizing to innovate.

The gathered knowledge needs to be effectively channelized, applied and disseminated to the people of this country. This eventually increases the common knowledge pool and benefits the economy as large. The scriptures, traditional knowledge and the baby boomer generation help us to think in a holistic manner for applying the knowledge. The attitude of young minds, if nurtured in the right way, can produce a positive impact. Like Victoria Abril puts it...

**“ Keep your ears open, your eyes open, grab everything you can, react, and learn”**

The country's youth should be encouraged to research and get an insight on various subjects to tackle real life challenges through innovative methodologies. Traditional scriptures like the Vedas are treasure chests of knowledge and teach us how to deal with state problems, how to teach and

grow, etc. They should be shared with the common man, to enable him to think and utilize age old wisdom in an age of intense competition. In Sanskrit, the importance of knowledge is quoted as -

**“ Nahi Jnanena Sadrsham”**

‘ Nothing is equivalent to knowledge’

## **FINDINGS & ANALYSIS**

A burgeoning young human capital is bound to have positive implications on the economy. If not tended well, this boon can turn into a bane. The age distribution of India is projected to change by 2020. The population in the age group 15 -59 years (currently 58 percent) is projected to increase to nearly 64 percent. This shift is shown below -

India would then have a handsome mix of youth and grey-haired wise men to share different views and synergize to suggest solutions by application of their acquired knowledge. But, this upcoming “ bulge” will also have its own set of ideologies & thoughts and would thus have to develop a tolerance level and attitude to learn from their older generations about the vanities and gyan of life. The baby boomers have retained knowledge imparted to them about 80 years back and continue to apply them in real life problems. The youth needs to appreciate this and concentrate on application of gathered knowledge rather than garner degrees. The flip side is that the country’s education system forces one to memorize more and remember the same till exams.

The classroom learning limits the student’s perception. The lessons are merely “ learnt, used & thrown” today. More nature and environment based <https://assignbuster.com/diversity-and-human-capital-and-indias-workforce/>

learning would give students a fresh perspective. QUALCOMM has pioneered and introduced solutions inspired from nature like Low-friction ship hulls inspired by shark skin, etc. If all the young minds of India can be guided to think this way, imagine what wonders can be created. The knowledge imparted and discussed should be taught along with examples from diverse backgrounds.

At graduation level, students should be encouraged to pursue research work & apply knowledge creatively, and indulge in good communication. These are imperative for attitude refinement of individuals which needs tendering to keep them receptive to ideas. This could proactively nurture entrepreneurs at an early stage. Today with a demand driven economy, there is a tendency of people to learn, use & throw (forget) the acquired knowledge and comment “ it doesn’t matter we’ll start afresh and learn fast”. For facilitating retention, reframing teaching patterns is equally important along with grooming of students.

This grooming would include exercise based teaching, vocational training and soft skills training. The habit of reading & gaining perspective about varied issues is dwindling and should be emphasized at an early age. We need to strike a healthy balance between self made efforts & outsourced tasks to help develop a rational outlook on activities around us. This is imperative for creating a sustained cadre of “ knowledge workers”. It is clear that workers with equal & unequal skill sets create better synergy and lead to value addition in knowledge pool.



The overall literacy rate in India is highly unsatisfactory. There are areas in India where the abundance of knowledge gets eclipsed by the inability to communicate. Due to this disparity, thoughts and ideas are stalled without getting discussed. Such barriers need to be removed, to educate and tap the knowledge base available. Socrates subtly quotes,

**“ The only good is knowledge and the only evil is ignorance.”**

Illiteracy is one of the acclaimed evils in society. The initiative to educate is not with the Government alone but requires active support from every citizen. Empowering minds and sharing knowledge will corroborate the Indian growth story and make it flourish. Management of gargantuan diversities like India will be effective only when citizens rightfully learn, teach & apply acquired knowledge for betterment of the country at large.

Diversity in population provides an excellent opportunity to explore and learn. A clichéd process might be holistically applied for a different cause to apply, learn and grow. If, like the IT companies the concept of collating ideas can be practiced at the national level it would keep the minds of people busy and help everyone learn more from the surroundings and contribute more. Heterogeneity plays a major role in this context. The quote below from Mahatma Gandhi states how important it is to share knowledge...

**“ If you give me rice, I’ll eat today; if you teach me how to grow rice, I’ll eat every day.”**

Innovation in a developing nation requires a favorable climate, one that is free from bureaucratic & regulatory obstacles and fosters interactions across boundaries. The sources of knowledge might be universities, research

institutes, think tanks, etc but the right to information is the prerogative of every individual. With this, we conclude our paper and hope to ignite thoughts through an insightful Sanskrit shloka about knowledge...

## **CONCLUSION**

India has showcased unity & integrity for umpteen causes. Now she is faced with the new challenges of growing population and managing knowledge. For the nation to become a leader in knowledge based economies, the same commitment and unity needs to be shown by each citizen. Today in an intense global market, few variables will give India a competitive advantage. Lifelong learning, youth population and synergy between diverse cultures and attitude to learn, to name a few.

In the next few decades, India will have a large youth base. Given this demographic advantage over other countries, we are optimally positioned to establish a knowledge-oriented paradigm of development. An economy that creates, acquires, manages, adapts, and uses knowledge effectively for its economic development, can overcome many challenges while its individuals learn, retain and re-use the knowledge base to innovate and grow perpetually. In the words of our Prime Minister, “ to leapfrog in the race for social and economic development”.

The attitude towards learning would also differentiate a country as a trend-setter. Inventive education patterns, fighting illiteracy, and application of knowledge are important tasks for India Inc. amidst exiting challenges. The proactive involvement of elder generations in designing learning programs

for students and future managers, to incorporate their traditional wisdom and insights on real life challenges is important.

In short, the message is to learn, share, apply and manage through diversity and adversity. Hope and inspiration along with dedication to the task are equally important to the success of a vision. This thought has been beautifully quoted by the former Indian President and visionary Dr. A P J Abdul Kalam in his book “ Wings of Fire”,

**“ For all your days prepare,  
And treat them ever alike,  
When you are the anvil bear,  
When you are the hammer strike”**